

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other				Local Government Name		County	
Audit Date		Opinion Date		Date Accountant Report Submitted to State:			

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ Yes ☐ No 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ Yes ☐ No 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ Yes ☐ No 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ Yes ☐ No 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ Yes ☐ No 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ Yes ☐ No 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ Yes ☐ No 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ Yes ☐ No 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ Yes ☐ No 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			
Reports on individual federal financial assistance programs (program audits).			
Single Audit Reports (ASLGU).			

Certified Public Accountant (Firm Name)				
Street Address		City	State	ZIP Code
Accountant Signature <i>Siegfried Crandall P.C.</i>			Date	

Township of Bloomingdale
Van Buren County, Michigan
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
Year ended March 31, 2005

CONTENTS

Page

INDEPENDENT AUDITORS' REPORT

BASIC FINANCIAL STATEMENTS

Government-wide financial statements:

Statement of net assets 5

Statement of activities 6

Fund financial statements:

Balance sheet - governmental funds 7

Statement of revenues, expenditures, and changes in fund balances -
governmental funds 8 - 9

Statement of fiduciary net assets - agency fund 10

Notes to financial statements 11 - 17

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary comparison schedules:

General Fund 18 - 19

Roads Fund 20

SUPPLEMENTARY INFORMATION

Combining balance sheet - nonmajor governmental funds 21

Combining statement of revenues, expenditures, and changes in fund balances -
nonmajor governmental funds 22

INDEPENDENT AUDITORS' REPORT

**Board of Trustees
Township of Bloomingdale, Michigan**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Bloomingdale, Michigan, as of March 31, 2005, and for the year then ended, which collectively comprise the Township's basic financial statements, as listed in the contents. These financial statements are the responsibility of Township of Bloomingdale, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Township of Bloomingdale, Michigan, as of March 31, 2005, and the respective changes in financial position, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

As described in Note 11, the Township has implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of April 1, 2004.

The budgetary comparison schedules, as listed in the contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Township of Bloomingdale, Michigan has not presented the management's discussion and analysis that the

Board of Trustees
Township of Bloomingdale, Michigan
Page 2

Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Bloomingdale, Michigan, basic financial statements. The supplementary information, as listed in the contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Siegfried Crandall P.C.

June 28, 2005

BASIC FINANCIAL STATEMENTS

Township of Bloomingdale
STATEMENT OF NET ASSETS
March 31, 2005

	<u>Governmental activities</u>
ASSETS	
Current assets:	
Cash	\$ 604,923
Receivables (net)	122,337
Prepaid expenses	<u>6,471</u>
Total current assets	<u>733,731</u>
Noncurrent assets:	
Capital assets (net of accumulated depreciation)	<u>1,244,819</u>
Total assets	<u>1,978,550</u>
LIABILITIES	
Current liabilities:	
Payables	9,309
Current portion of long-term obligations	<u>4,632</u>
Total current liabilities	<u>13,941</u>
Noncurrent liabilities:	
Long-term obligations	<u>75,145</u>
Total liabilities	<u>89,086</u>
NET ASSETS	
Invested in capital assets	1,165,042
Restricted for:	
Recreation and culture	59,131
Unrestricted	<u>665,291</u>
Total net assets	<u>\$ 1,889,464</u>

See notes to financial statements

Township of Bloomingdale
STATEMENT OF ACTIVITIES
Year ended March 31, 2005

	<u>Program revenues</u>				<u>Net (expenses) revenues and changes in net assets</u>
	<u>Expenses</u>	<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Capital grants and contributions</u>	<u>Governmental activities</u>
Functions/Programs					
Governmental activities:					
Legislative	\$ 6,310	\$ -	\$ -	\$ -	\$ (6,310)
General government	183,213	47,032	-	-	(136,181)
Public safety	108,169	64,136	-	-	(44,033)
Public works	131,959	36,710	3,657	-	(91,592)
Recreation and cultural	13,483	-	4,000	4,034	(5,449)
Interest on long-term obligations	<u>2,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,744)</u>
Total governmental activities	<u>\$ 445,878</u>	<u>\$ 147,878</u>	<u>\$ 7,657</u>	<u>\$ 4,034</u>	<u>(286,309)</u>
General revenues:					
Taxes					329,400
State grants					213,673
Investment income					2,886
Other					<u>5,457</u>
Total general revenues					<u>551,416</u>
Change in net assets					265,107
Net assets - beginning					<u>1,624,357</u>
Net assets - ending					<u>\$ 1,889,464</u>

See notes to financial statements

Township of Bloomingdale
BALANCE SHEET - governmental funds
March 31, 2005

	<u>General</u>	<u>Roads</u>
ASSETS		
Cash	\$ 545,792	\$ -
Receivables	<u>122,337</u>	<u>-</u>
Total assets	<u>\$ 668,129</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Payables	<u>\$ 9,309</u>	<u>\$ -</u>
Fund balances:		
Unreserved	658,820	-
Unreserved; reported in nonmajor: Special revenue funds	<u>-</u>	<u>-</u>
Total fund balances	<u>658,820</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 668,129</u>	<u>\$ -</u>

Amounts reported for *governmental activities* in the statement of net assets (page 6) are different because:

Capital assets used in *governmental activities* are not financial resources and, therefore, are not reported in the funds.

Long-term liabilities, including contracts payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Prepaid expenses are not a current financial resource and, therefore, are not reported in the funds.

Net assets of *governmental activities*

<u>Other nonmajor governmental funds</u>	<u>Total governmental funds</u>
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\$ 59,131	\$ 604,923
-	122,337

<u>\$ 59,131</u>	<u>\$ 727,260</u>
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<u>\$ -</u>	<u>\$ 9,309</u>
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658,820

<u>59,131</u>	<u>59,131</u>
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<u>59,131</u>	<u>717,951</u>
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\$ 59,131

1,244,819

(79,777)

6,471

\$ 1,889,464

See notes to financial statements

Township of Bloomingdale**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -****governmental funds**

Year ended March 31, 2005

	<u>General</u>	<u>Roads</u>	<u>Total nonmajor governmental funds</u>	<u>Total governmental funds</u>
REVENUES				
Taxes	\$ 85,749	\$ 275,908	\$ -	\$ 361,657
Licenses and permits	26,087	-	-	26,087
State grants	217,330	-	-	217,330
Intergovernmental	-	-	4,000	4,000
Charges for services	62,588	-	-	62,588
Interest	2,886	-	-	2,886
Other	<u>8,507</u>	<u>5,024</u>	<u>22,906</u>	<u>36,437</u>
Total revenues	<u>403,147</u>	<u>280,932</u>	<u>26,906</u>	<u>710,985</u>
EXPENDITURES				
Legislative	6,310	-	-	6,310
General government	173,165	-	-	173,165
Public safety	94,325	-	-	94,325
Public works	299,601	-	-	299,601
Recreation and cultural	567	-	11,698	12,265
Capital outlay	16,889	-	20,679	37,568
Debt service:				
Principal	4,443	-	-	4,443
Interest	<u>2,744</u>	<u>-</u>	<u>-</u>	<u>2,744</u>
Total expenditures	<u>598,044</u>	<u>-</u>	<u>32,377</u>	<u>630,421</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(194,897)</u>	<u>280,932</u>	<u>(5,471)</u>	<u>80,564</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	299,804	-	27,000	326,804
Transfers out	<u>(27,000)</u>	<u>(280,932)</u>	<u>(18,872)</u>	<u>(326,804)</u>
Total other sources (uses)	<u>272,804</u>	<u>(280,932)</u>	<u>8,128</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>77,907</u>	<u>-</u>	<u>2,657</u>	<u>80,564</u>
FUND BALANCES - BEGINNING	<u>580,913</u>	<u>-</u>	<u>56,474</u>	<u>637,387</u>
FUND BALANCES - ENDING	<u>\$ 658,820</u>	<u>\$ -</u>	<u>\$ 59,131</u>	<u>\$ 717,951</u>

See notes to financial statements

Township of Bloomingdale
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
governmental funds (continued)
Year ended March 31, 2005

	<u>Total governmental funds</u>
Net change in fund balances - total governmental funds	\$ 80,564
Amounts reported for <i>governmental activities</i> in the statement of activities (page 6) are different because:	
Capital assets:	
Assets acquired	248,307
Provision for depreciation	(68,967)
Long-term debt:	
Principal repayments	4,443
Changes in other assets:	
Prepaid expense	<u>760</u>
Change in net assets of <i>governmental activities</i>	<u>\$ 265,107</u>

See notes to financial statements

Township of Bloomingdale
STATEMENT OF FIDUCIARY NET ASSETS - *agency funds*
March 31, 2005

ASSETS

Cash	\$ 1,091
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LIABILITIES

Payables	\$ 1,091
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See notes to financial statements

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Bloomingdale, Michigan (the Township), conform to U.S. generally accepted accounting principles (hereinafter referred to as generally accepted accounting principles) as applicable to governments. The following is a summary of the more significant policies.

a) *Reporting entity:*

The accompanying financial statements present only the Township. There are no component units, entities for which the Township is considered to be financially accountable.

b) *Government-wide and fund financial statements:*

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Township. The effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

c) *Measurement focus, basis of accounting, and financial statement presentation:*

The government-wide financial statements are reported using the economic resources, measurement focus, and the accrual basis of accounting, as is the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources, measurement focus, and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c) *Measurement focus, basis of accounting, and financial statement presentation* (continued):

State grants, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the government.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the Township, except those required to be accounted for in another fund. Revenues are primarily derived from property taxes and state shared revenue.

The Roads Fund accounts for the financial resources used for the expansion and maintenance of roads within the Township. Revenues are primarily derived from property taxes.

The Township reports a single fiduciary fund, Agency Fund, which accounts for assets held by the Township in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

d) *Assets, liabilities, and net assets or equity:*

i) *Bank deposits* - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Pooled interest income is proportionately allocated to all funds.

ii) *Receivables* - No allowance for uncollectible accounts has been recorded as the Township considers all receivables to be fully collectible.

iii) *Prepaid items* - Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

iv) *Capital assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental column in the government-wide financial statements. Capital assets, other than infrastructure are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Governments can elect to account for infrastructure assets either retroactively to June 15, 1980, or prospectively. The Township has elected to account for infrastructure assets prospectively, beginning April 1, 2004.

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d) *Assets, liabilities, and net assets or equity (continued):*

iv) *Capital assets (continued) -*

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 - 40 years
Equipment	3 - 5 years
Vehicles	3 - 20 years
Infrastructure	10 - 40 years

v) *Fund equity* - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

vi) *Property tax revenue recognition* - Property taxes are levied as of December 1 on property values assessed as of December 31 of the prior year. The billings are due on or before February 14, after which time the bill becomes delinquent and penalties and interest may be assessed by the Township. The Township considers property taxes levied December 1 to be revenue of the current year.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. The budget document presents information by fund, function, and department. The legal level of budgetary control adopted by the governing body is the function level. All annual appropriations lapse at the end of the fiscal year.

The following schedule sets forth significant budget variations:

<u>Fund</u>	<u>Function</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance</u>
Roads	Transfers out	\$ (227,891)	\$ (280,932)	\$ (53,041)

NOTE 3 - CASH

The Township's cash is as follows:

	<u>Governmental activities</u>	<u>Fiduciary</u>	<u>Totals</u>
Cash	\$ 604,923	\$ 1,091	\$ 606,014

Township of Bloomington
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CASH (Continued):

Deposits are carried at cost and are maintained at various financial institutions in the name of the Township. State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally-insured banks, credit unions, and savings and loan associations. The Township's deposits are in accordance with statutory authority. At March 31, 2005, the Township has deposits with a carrying amount of \$606,014 and a bank balance of \$637,620. Of the bank balance, \$146,672 is covered by federal depository insurance and \$490,948 is uninsured.

NOTE 4 - RECEIVABLES:

Receivables as of year end for the government's individual major and nonmajor funds, in the aggregate, are as follows:

<u>Fund</u>	<u>Accounts</u>	<u>Property taxes</u>	<u>Special assessments</u>	<u>Inter- governmental</u>	<u>Totals</u>
General	\$ 1,577	\$ 48,054	\$ 2,468	\$ 70,238	\$ 122,337

All receivables are due within one year.

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended March 31, 2005, was as follows:

	<u>Beginning balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending balance</u>
Governmental activities:				
Capital assets not being depreciated - land	\$ 236,301	\$ -	\$ -	\$ 236,301
Capital assets being depreciated:				
Buildings and improvements	710,732	28,384	-	739,116
Equipment	134,526	33,654	-	168,180
Vehicles	505,150	-	-	505,150
Infrastructure	-	186,269	-	186,269
Subtotal	1,350,408	248,307	-	1,598,715

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - CAPITAL ASSETS (Continued):

	<i>Beginning balance</i>	<i>Increases</i>	<i>Decreases</i>	<i>Ending balance</i>
Less accumulated depreciation for:				
Buildings and improvements	\$ 169,323	\$ 16,416	\$ -	\$ 185,739
Equipment	75,980	10,619	-	86,599
Vehicles	275,927	23,305	-	299,232
Infrastructure	-	18,627	-	18,627
Subtotal	<u>521,230</u>	<u>68,967</u>	<u>-</u>	<u>590,197</u>
Total capital assets being depreciated (net)	<u>829,178</u>	<u>179,340</u>	<u>-</u>	<u>1,008,518</u>
Governmental activities capital assets, net	<u>\$ 1,065,479</u>	<u>\$ 179,340</u>	<u>\$ -</u>	<u>\$ 1,244,819</u>

Depreciation expense was charged to functions of the Township as follows:

Governmental activities:	
General government	\$ 10,008
Public safety	39,114
Public works	18,627
Recreation and cultural	<u>1,218</u>
	<u>\$ 68,967</u>

NOTE 6 - NONCURRENT LIABILITIES:

Long-term debt at March 31, 2005, is comprised of an \$85,000, 2004 Installment Purchase Agreement due in monthly installments of \$599, including interest at 3.29%. Final payment is due January 2019.

Long-term debt activity for the year ended March 31, 2005, was as follows:

	<i>Beginning balance</i>	<i>Additions</i>	<i>Reductions</i>	<i>Ending balance</i>	<i>Amounts due within one year</i>
Purchase agreement	\$ 84,220	\$ -	\$ (4,443)	\$ 79,777	\$ 4,632

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - NONCURRENT LIABILITIES (Continued):

At March 31, 2005, debt service requirements on long-term debt are follows:

<u>March 31,</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 4,632	\$ 2,555
2007	4,787	2,401
2008	4,946	2,241
2009	5,112	2,075
2010	5,282	1,905
2011 - 2015	29,178	6,757
2016 - 2019	<u>25,840</u>	<u>1,699</u>
Totals	<u>\$ 79,777</u>	<u>\$ 19,633</u>

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

A summary of interfund transfers for the year ended March 31, 2004, is as follows:

<u>Fund</u>	<u>Transfer in</u>	<u>Fund</u>	<u>Transfer out</u>
General	<u>\$ 299,804</u>	Roads	\$ 280,932
		Other governmental	<u>18,872</u>
			<u>299,804</u>
Other governmental	<u>27,000</u>	General	<u>27,000</u>

The transfer to the General Fund represents a transfer of restricted revenues collected in the Roads Fund and other governmental funds to pay for costs reported in the General Fund.

The transfer from the General Fund to the other governmental fund represents operational support.

NOTE 8 - CONSTRUCTION CODE ACT:

A summary of construction code enforcement transactions for the year ended March 31, 2005, is as follows:

Permit revenue	\$ 25,424
Inspections	<u>(25,424)</u>
Excess of revenues over expenses	<u>\$ -</u>

Township of Bloomingdale
NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - RISK MANAGEMENT:

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation). The Township has purchased commercial insurance for each of these claims and is neither self-insured nor participates in a shared-risk pool. Settled claims relating to commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 10- DEFINED CONTRIBUTION PENSION PLAN:

The Township provides pension benefits for all its elected officials through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Michigan State Statute assigns the authority to establish and amend benefit provisions to the Township Board of Trustees. Officials are eligible to participate from the date they are elected to office. The Township annually contributes 15% of the participant's base salary and participants are immediately 100% vested. The Township and its officials made the required contributions of \$7,320 and \$4,880, respectively. The Township is not a trustee of the plan, nor is the Township responsible for investment management of plan assets.

NOTE 11 - CHANGE IN ACCOUNTING PRINCIPLES:

Effective April 1, 2004, the Township implemented a new financial reporting model, as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, along with all related statements and interpretations. In connection with the implementation of this statement, the following adjustments to beginning net assets have been made to reflect the cumulative effect of this accounting change:

Net assets as previously reported:	
General and special revenue funds	\$ 637,387
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	1,065,479
Prepaid expenses are not a current financial resource and, therefore, are not reported in the funds.	5,711
Long-term liabilities, including contracts payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(84,220)</u>
Net assets, as restated	<u>\$ 1,624,357</u>

REQUIRED SUPPLEMENTARY INFORMATION

Township of Bloomingdale
BUDGETARY COMPARISON SCHEDULE - General Fund
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
REVENUES				
Taxes	\$ 76,650	\$ 76,650	\$ 85,749	\$ 9,099
Licenses and permits	20,500	20,500	26,087	5,587
State grants	202,000	202,000	217,330	15,330
Charges for services	55,100	55,100	62,588	7,488
Interest	1,150	1,150	2,886	1,736
Other	1,800	1,800	8,507	6,707
Total revenues	<u>357,200</u>	<u>357,200</u>	<u>403,147</u>	<u>45,947</u>
EXPENDITURES				
Legislative	<u>6,300</u>	<u>6,300</u>	<u>6,310</u>	<u>(10)</u>
General government:				
Supervisor	17,035	17,035	16,842	193
Election	3,650	3,650	6,142	(2,492)
Assessor	35,370	35,370	33,075	2,295
Clerk	21,475	21,475	21,893	(418)
Board of review	1,395	1,395	1,155	240
Treasurer	26,570	26,570	25,317	1,253
Hall and grounds	8,350	8,350	7,169	1,181
Cemetery	29,500	26,500	28,268	(1,768)
Other	39,000	39,000	33,304	5,696
Total general government	<u>182,345</u>	<u>179,345</u>	<u>173,165</u>	<u>6,180</u>
Public safety:				
Fire protection	79,750	74,750	61,901	12,849
Ordinance enforcement	8,625	8,625	7,000	1,625
Building inspections	20,000	20,000	25,424	(5,424)
Total public safety	<u>108,375</u>	<u>103,375</u>	<u>94,325</u>	<u>9,050</u>
Public works:				
Highways and streets	225,400	280,014	256,700	23,314
Weed control	34,000	34,000	26,811	7,189
Sanitation	17,975	15,975	13,885	2,090
Drains	1,725	1,725	2,205	(480)
Total public works	<u>279,100</u>	<u>331,714</u>	<u>299,601</u>	<u>32,113</u>

Township of Bloomingdale
BUDGETARY COMPARISON SCHEDULE - General Fund (Continued)
Year ended March 31, 2005

	<u>Original budget</u>	<u>Amended budget</u>	<u>Actual</u>	<u>Variance favorable (unfavorable)</u>
EXPENDITURES (Continued)				
Recreation and cultural	\$ 1,900	\$ 1,900	\$ 567	\$ 1,333
Capital outlay	26,400	35,400	16,889	18,511
Debt service - principal	-	4,409	4,443	(34)
Debt service - interest	-	2,550	2,744	(194)
Total expenditures	604,420	664,993	598,044	66,949
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(247,220)</u>	<u>(307,793)</u>	<u>(194,897)</u>	<u>112,896</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Roads Fund	227,891	227,891	280,932	53,041
Other governmental funds	31,000	31,000	18,872	(12,128)
Transfers out - other governmental fund	<u>(20,000)</u>	<u>(27,000)</u>	<u>(27,000)</u>	<u>-</u>
Total other sources (uses)	238,891	231,891	272,804	40,913
NET CHANGE IN FUND BALANCES	(8,329)	(75,902)	77,907	153,809
FUND BALANCES - BEGINNING	<u>580,913</u>	<u>580,913</u>	<u>580,913</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 572,584</u>	<u>\$ 505,011</u>	<u>\$ 658,820</u>	<u>\$ 153,809</u>

Township of Bloomingdale

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - BUDGET AND ACTUAL - *Roads Fund***

Year ended March 31, 2005

	<u><i>Original budget</i></u>	<u><i>Amended budget</i></u>	<u><i>Actual</i></u>	<u><i>Variance favorable (unfavorable)</i></u>
REVENUES				
Taxes	\$ 222,891	\$ 222,891	\$ 275,908	\$ 53,017
Other	<u>5,000</u>	<u>5,000</u>	<u>5,024</u>	<u>24</u>
Total revenues	<u>227,891</u>	<u>227,891</u>	<u>280,932</u>	<u>53,041</u>
OTHER FINANCING USES				
Transfer out - General Fund	<u>(227,891)</u>	<u>(227,891)</u>	<u>(280,932)</u>	<u>(53,041)</u>
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SUPPLEMENTARY INFORMATION

Township of Bloomingdale
COMBINING BALANCE SHEET - nonmajor governmental funds
December 31, 2005

<u>Special revenue funds</u>					
		<u>Snow Plowing</u>	<u>Weed Control</u>	<u>Parks and Recreation</u>	<u>Totals</u>
ASSETS					
Cash		\$ -	\$ -	\$ 59,131	\$ 59,131
Receivables		-	-	-	-
Total assets		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,131</u>	<u>\$ 59,131</u>
BALANCES					
Fund balance:					
Unreserved, undesignated		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,131</u>	<u>\$ 59,131</u>

Township of Bloomingdale**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - nonmajor governmental funds**

Year ended March 31, 2005

	<u>Special revenue funds</u>			<u>Totals</u>
	<u>Snow Plowing</u>	<u>Weed Control</u>	<u>Parks and Recreation</u>	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 4,000	\$ 4,000
Interest			-	-
Other:				
Special assessments	1,294	17,578	-	18,872
Donations	-	-	4,034	4,034
Total revenues	<u>1,294</u>	<u>17,578</u>	<u>8,034</u>	<u>26,906</u>
EXPENDITURES				
Recreation and cultural	-	-	11,698	11,698
Capital outlay	-	-	20,679	20,679
Total expenditures	<u>-</u>	<u>-</u>	<u>32,377</u>	<u>32,377</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,294</u>	<u>17,578</u>	<u>(24,343)</u>	<u>(5,471)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	27,000	27,000
Transfers out	(1,294)	(17,578)	-	(18,872)
Total other sources (uses)	<u>(1,294)</u>	<u>(17,578)</u>	<u>27,000</u>	<u>8,128</u>
NET CHANGE IN FUND BALANCES	-	-	2,657	2,657
FUND BALANCES - BEGINNING	<u>-</u>	<u>-</u>	<u>56,474</u>	<u>56,474</u>
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,131</u>	<u>\$ 59,131</u>